MATATIELE

LOCAL MUNICIPALITY

Matatiele Local Municipality
Annual Financial Statements
for the year ended 30 June 2014

General Information

Members of the Council

N.S. Nkopane	**Mayor** 01/07/2013 - 03/09/2013
M.M. Mbedla	**Mayor** 04/09/2013 - 30/06/2014
J. Bosman-Magangana	**Speaker**
P.A. Mohale	Chief Whip
P.M. Stuurman	Portfolio Head: Budget and Finance
N. Mshuqwana	Portfolio Head: Corporate Services
M.M. Mbobo	Portfolio Head: Community Services
N. Ngwanya	Portfolio Head: Special Programmes Unit
N.A. Nkukhu	Portfolio Head: EDP
S. Mngenela	Portfolio Head: Infrastructure Services
K.C. Biggs	EXCO Member
T.S. Maqhashalala	EXCO Member
T.V. Mongoato	Chairperson: MPAC
P.T. Hloele	Member
M. Lebese	Member
L.M. Ntshayisa	Member
N.B. Nkomo	Member
C.N. Sithole	Member
K.B. Pakkies	Member
C.N. Sambane	Member
S.A. Ndlela	Member
S.T. Stuurman	Member
P.C. Ntsolo	Member
S. Baba	Member
I.N. Maketela	Member
S.M. Mzozoyana	Member
L.D. Shemane	Member
P.Z. Bono	Member
N.N. Ndukwana	Member
T. Dyantyi	Member
C.L. Nxesi	Member
T.A. Mhlongo	Member
M.C. Setenane	Member
E.K. Sephuhle	Member
N.S.N. Paula	Member
S. Mavuka	Member
R.T. Mnika	Member
G.M. Letuka	Member
N.C. Ludidi-Mzonke	Member
S.B. Macuphe	Member
M. Tsoloane	Member
P.G. Muir	Member
A.M. Saliwavikwa	Member
N. Njobe	Member
S.A. Sello	Member
W. Potwana	Member
V.M. Mlandu	Member
J.Z. Munyu	Member
V.C. Sigalelana	Member

General Information

	L.E. Stuurman	Member
	K.B. Makholwa	Member
	N.E. Koteiana	Member
	P.T. Motjope	Member
	S.M. Jafta	Member
Municipal Manager	Dr D.C.T Nakin	
Chief Financial Officer	Mr L. Ndzelu	
Grading of local authority	4	
Registered office	102 Main Street Matatiele 4730	
Physical address	102 Main Street Matatiele 4730	
Postal address	P.O. Box 35 Matatiele 4730	
Bankers	Nedbank	
Auditors	Auditor General	
Tel Number	039 737 3135	
Fax Number	039 737 3611	
Email	manager@matatiele.co.za	

Matatiele Local Municipality
Annual Financial Statements for the year ended 30 June 2014

Index

Index	Page
Accounting Officer's Responsibilities and Approval	4
Statement of Financial Position	5
Statement of Financial Performance	6
Statement of Changes in Net Assets	7
Cash Flow Statement	8
Statement of Comparison of Budget and Actual Amounts	9 - 10
Accounting Policies	11 - 20
Notes to the Annual Financial Statements	21 - 50
Appendixes:	
Appendix B: Analysis of Property, Plant and Equipment	56
Appendix C: Segmental analysis of Property, Plant and Equipment	60
Appendix D: Segmental Statement of Financial Performance	60

Accounting Officer's Responsibilities and Approval

I am responsible for the preparation of these annual financial statements, which are set out on pages 5 to 56 in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.
I certify that the salaries, allowances and benefits of Councillors as disclosed in note 23 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Dr. D.C.T Nakin
Municipal Manager

29 August 2014

Statement of Financial Position as at 30 June 2014

Figures in Rand	Note(s)	2014	2013
ASSETS			
Current Assets			
Inventories	2	552,419	545,351
Investments	3	-	6,988,604
Other receivables from non-exchange transactions	4	14,259	10,144,645
VAT receivable from exchange transactions	5	7,784,787	4,662,275
Prepayments	46	3,309,014	-
Trade receivables	6	11,036,011	10,971,130
Cash and cash equivalents	7	57,566,399	77,235,389
		80,262,889	**110,547,394**
Non-Current Assets			
Investment property	8	21,889,400	9,898,255
Property, plant and equipment	9	520,325,237	421,233,593
Intangible assets	10	1,232,807	522,867
		543,447,444	**431,654,715**
Total Assets		**623,710,333**	**542,202,109**
LIABILITIES			
Current Liabilities			
Payables from exchange transactions	11	17,444,987	11,987,061
Consumer deposits	45	238,242	239,792
Unspent conditional grants and receipts	12	8,813,571	16,227,176
Provisions	13	1,669,162	1,429,951
		28,165,962	**29,883,980**
Non-Current Liabilities			
Employee benefit obligation	14	7,245,524	5,946,524
Provisions	13	11,684,561	10,969,753
		18,930,085	**16,916,277**
Total Liabilities		**47,096,047**	**46,800,257**
Net Assets		**576,614,286**	**495,401,852**
NET ASSETS			
Revaluation reserve	15	95,748,446	62,601,010
Accumulated surplus		480,865,840	432,800,842
Total Net Assets		**576,614,286**	**495,401,852**

Statement of Financial Performance

Figures in Rand	Note(s)	2014	2013
Revenue			
Service charges	17	42,361,972	40,322,579
Rental of facilities and equipment		565,912	533,522
Licences and permits		2,188,705	2,094,048
Other income	18	3,896,437	5,296,150
Interest earned- external investments	19	7,699,010	7,861,036
Property rates	20	22,600,235	15,500,969
Government grants & subsidies	21	198,426,959	152,460,294
Public contributions and donations		183,922	-
Fine receipts		3,672,275	1,508,615
Total revenue	15	**281,595,427**	**225,577,213**
Expenditure			
Employee related costs	22	(69,114,691)	(57,395,055)
Remuneration of councillors	23	(14,806,549)	(13,899,579)
Depreciation and amortisation	24	(18,884,741)	(17,083,688)
Finance costs	25	(1,830)	(6,522)
Debt impairment	42	(20,522,054)	-
Repairs and maintenance		(10,826,958)	(10,290,130)
Bulk purchases	26	(26,146,887)	(24,556,468)
Contracted services		(13,388,834)	(12,328,837)
Grants and subsidies paid	27	(33,232,747)	(23,662,852)
General expenses	28	(35,605,745)	(30,576,361)
Total expenditure		**(242,531,036)**	**(189,799,492)**
Operating surplus		**39,064,391**	**35,777,721**
Gain / (loss) on sale of assets		537,386	(5,064,153)
Fair value adjustment		12,046,345	-
Impairment Loss		(7,273,280)	(63,893,245)
		5,310,451	**(68,957,398)**
Surplus / (Deficit) for the year		**44,374,842**	**(33,179,677)**

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus	Total net assets
Balance at 01 July 2012	**-**	**465,270,706**	**465,270,706**
Changes in net assets			
Revaluation of infrastructure assets	62,601,010	-	62,601,010
Net income (losses) recognised directly in net assets	62,601,010	-	62,601,010
Deficit for the year	-	(33,179,677)	(33,179,677)
Total recognised income and expenses for the year	62,601,010	(33,179,677)	29,421,333
Movement in accumulated surplus	-	709,813	709,813
Total changes	62,601,010	(32,469,864)	30,131,146
Balance at 01 July 2013	**62,601,010**	**432,800,842**	**495,401,852**
Changes in net assets			
Write off of stale cheques	-	82,472	82,472
Interest housing	-	62,758	62,758
Transfer from Revaluation to Accumulated Surplus	(2,923,532)	2,923,532	-
Revaluation on Land	36,070,968	-	36,070,968
Purchase of Intangible Assets through Government Grant Reserve	-	621,394	621,394
Net income recognised directly in net assets	33,147,436	3,690,156	36,837,592
Surplus for the year	-	44,374,842	44,374,842
Total recognised income and expenses for the year	33,147,436	48,064,998	81,212,434
Total changes	33,147,436	48,064,998	81,212,434
Balance at 30 June 2014	**95,748,446**	**480,865,840**	**576,614,286**
Note(s)	15		

Cash Flow Statement

Figures in Rand	Note(s)	2014	2013
Cash flows from operating activities			
Receipts			
Fine receipts		3,672,275	1,508,615
Sale of goods and services		50,828,749	48,101,621
Grants		191,013,354	144,908,045
Interest received		7,699,010	7,861,036
Other receipts		6,471,544	10,537,988
Receipts through reserves		-	63,335
		259,684,932	212,980,640
Payments			
Employee costs		(83,801,542)	(71,268,078)
Suppliers		(80,630,198)	(79,981,257)
Finance costs		(1,830)	(6,522)
Other payments		(33,234,297)	(23,668,558)
		(197,667,867)	(174,924,415)
Net cash flows from operating activities	30	**62,017,065**	**38,056,225**
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(89,814,949)	(62,297,678)
Proceeds from sale of property, plant and equipment	9	1,252,130	40,294
Proceeds from sale of investment property	8	55,200	-
Purchase of other intangible assets	10	(167,040)	(159,773)
Purchase of financial assets		6,988,604	(6,988,604)
Proceeds from sale of non-current financial assets		-	6,084,739
Other movements in Infrastructure assets		-	(22)
Net cash flows from investing activities		**(81,686,055)**	**(63,321,044)**
Net increase in cash and cash equivalents		**(19,668,990)**	**(25,264,819)**
Cash and cash equivalents at the beginning of the year		77,235,389	102,500,208
Cash and cash equivalents at the end of the year	7	**57,566,399**	**77,235,389**

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
Financial Performance					
Revenue					
Revenue from exchange transactions					
Service charges	49,813,718	-	**49,813,718**	42,361,972	**(7,451,746)**
Rental of facilities and equipment	534,233	16,000	**550,233**	565,912	**15,679**
Licences and permits	1,872,000	-	**1,872,000**	2,188,705	**316,705**
Other income	1,631,544	174,600	**1,806,144**	3,896,437	**2,090,293**
Interest received - investment	7,350,800	-	**7,350,800**	7,699,010	**348,210**
Gains on disposal of assets	-	35,000	**35,000**	-	**(35,000)**
Total revenue from exchange transactions	**61,202,295**	**225,600**	**61,427,895**	**56,712,036**	**(4,715,859)**
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	27,040,000	15,257,947	**42,297,947**	22,600,235	**(19,697,712)**
Government grants & subsidies	213,605,801	(2,202,769)	**211,403,032**	198,426,959	**(12,976,073)**
Transfer revenue					
Public contributions and donations	-	-	-	183,922	**183,922**
Fines	1,282,000	1,000	**1,283,000**	3,672,275	**2,389,275**
Total revenue from non-exchange transactions	**241,927,801**	**13,056,178**	**254,983,979**	**224,883,391**	**(30,100,588)**
Total revenue	**303,130,096**	**13,281,778**	**316,411,874**	**281,595,427**	**(34,816,447)**
Expenditure					
Personnel	(74,683,351)	5,342,011	**(69,341,340)**	(69,114,691)	**226,649**
Remuneration of councillors	(16,778,549)	1,830,000	**(14,948,549)**	(14,806,549)	**142,000**
Depreciation and amortisation	(9,831,085)	(9,098,148)	**(18,929,233)**	(18,838,081)	**91,152**
Impairment loss/ Reversal of impairments	-	-	-	(7,273,280)	**(7,273,280)**
Finance costs	(2,000,000)	1,998,000	**(2,000)**	(1,830)	**170**
Debt impairment	(3,000,000)	(18,329,590)	**(21,329,590)**	(20,522,054)	**807,536**
Repairs and maintenance	(11,250,006)	(918,940)	**(12,168,946)**	(10,826,958)	**1,341,988**
Bulk purchases	(28,000,000)	1,850,000	**(26,150,000)**	(26,146,887)	**3,113**
Contracted Services	(14,932,984)	502,000	**(14,430,984)**	(13,388,834)	**1,042,150**
Grants and subsidies paid	(19,850,851)	(22,687,705)	**(42,538,556)**	(33,251,747)	**9,286,809**
General Expenses	(37,211,920)	(1,550,360)	**(38,762,280)**	(35,706,444)	**3,055,836**
Total expenditure	**(217,538,746)**	**(41,062,732)**	**(258,601,478)**	**(249,877,355)**	**8,724,123**
Operating surplus	**85,591,350**	**(27,780,954)**	**57,810,396**	**31,718,072**	**(26,092,324)**
Gain on disposal of assets and liabilities	-	(435,000)	**(435,000)**	537,386	**972,386**
Fair value adjustments	-	-	-	12,046,345	**12,046,345**
	-	**(435,000)**	**(435,000)**	**12,583,731**	**13,018,731**
Profit before taxation	**85,591,350**	**(28,215,954)**	**57,375,396**	**44,301,803**	**(13,073,593)**

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**85,591,350**	**(28,215,954)**	**57,375,396**	**44,301,803**	**(13,073,593)**

Accounting Policies

1.1 Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations,guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

A summary of the significant accounting policies, which have been consistently applied,are disclosed below.

These accounting policies are consistent with the previous period, except for the changes set out in note 43 Changes in accounting policy.

Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

Going Concern Assumption

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

Comparative Information

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Standards,amendments to standards and interpretations issued but not yet effective

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:
GRAP 18 Segment Reporting
GRAP 20 Related Party Disclosures
GRAP 32 Service Concession Arrangements: Grantor
GRAP 105 Transfer of Function Between Entities Under Common Control
GRAP 106 Transfer of Function Between Entities Not Under Common Control
GRAP 107 Mergers
GRAP 108 Statutory Receivables

Adoption of these standards will have no material impact on future financial periods.

Critical judgments, estimations and assumptions

In preparing the annual financial statements,management is required to make estimates and assumptions that impact on the municipality financial statements once implemented.Actual results in the future could differ from these estimates which may be material to the annual financial statements.

1.2 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, as well as land with no determinable future use.

Investment property is initially measured at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Accounting Policies

Investment property (continued)

Subsequent measurement

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.

1.3 Property, plant and equipment

INITIAL RECOGNITION

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Infrastructure and land is carried at revalued amount,being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.Land is not depreciated as it is deemed to have an indefinite useful life.

Revaluations are made every 5 years such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Accounting Policies

Property, plant and equipment (continued)

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Land is not depreciated as it is regarded as having an indefinite life.Depreciation on assets other than land is calculated on cost or revalued amount, using the straight line method, to allocate their cost to their residual values over the estimated useful lives of the assets.The depreciation method used reflects the pattern in which the assets future economic benefits or service potential are expected to be consumed by the municipality.Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.The depreciation rates are initially based on the following originally estimated useful lives and thereafter on the estimated remaining useful lives as at year end:

Infrastructure:	**Years**	**Community:**	**Years**	**Other:**	**Years**
Roads and Paving	10-100	Improvements	25-30	Buildings	25-30
Electricity	15-60	Recreational facilities	15-30	Specialist vehicles	10-15
Water	15-100	Security	15-25	Other vehicles	05-10
Sewerage	16-60			Office equipment	03-15
Landfill Sites	10-65			Furniture and fittings	05-15
Housing	30			Watercraft	15-20
Pedestrian Malls	15-30			Bins and containers	15-15
				Specialised equipment	10-15
				Other plant and equip	02-15

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Accounting Policies

1.4 Financial instruments

The entity recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, the entity becomes a party to the contractual provisions of the instrument. This is achieved through the application of trade date accounting.

Upon initial recognition the entity classifies financial instruments or their component parts as a financial liabilities, financial assets or residual interests in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest.

Financial instruments are classified as financial instruments at fair value through profit or loss where the financial instrument is either held for trading (including derivative instruments) or is designated as at fair value through profit or loss and are carried at fair value with any gains or losses being recognised in profit or loss. Fair value, for this purpose, is market value if listed or a value arrived at by using appropriate valuation models if unlisted.

Trade and other receivables are classified as loans and receivables and are measured at amortised cost less provision for doubtful debts, which is determined as set out under impairment of assets set out in policy note 1.7. Items with extended terms are initially recorded at the present value of future cash flows and interest received is accounted for over the term until payment is received. Write-downs of these assets are expensed in profit or loss.

Cash and cash equivalents are measured at fair value.

Non-derivative financial liabilities that are not designated on initial recognition as financial liabilities at fair value through profit or loss are measured at amortised cost using the effective interest rate method. Items with extended terms are initially recorded at the present value of future cash flows.

Trade payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term

1.6 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Accounting Policies

1.7 Impairment of assets

The entity assesses at each reporting date whether there is an indication that an asset may be impaired. Where the carrying amount of an asset exceeds its recoverable amount (or recoverable service amount in the case of non-cash generating assets), the asset is considered impaired & is written down to its recoverable amount or recovearble service amount.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to the higher of its recoverable amount and zero. Subsequent to the recognition of an impairment loss, the depreciation or amortisation charge for the asset is adjusted to allocate its remaining carrying value, less any residual value, over its remaining useful life.

Impairment losses on receivables are determined based on specific and objective evidence that assets are impaired and is measured as the difference between the carrying amount of assets and the present value of the estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment losses are recognised in profit or loss. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount but limited to the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in profit or loss.

1.8 Derecognition of assets and liabilities

Financial assets are derecognised when the contractual rights to receive cash flows have been transferred or have expired or when substantially all the risks and rewards of ownership have passed.

All other assets are derecognised on disposal or when no future economic benefits are expected from their use.

Financial liabilities are derecognised when the relevant obligation has either been discharged, cancelled or has expired.

1.9 Employee costs

These are all costs paid by an employer in exchange for services rendered by an employee. These include employee benefits such as salaries, bonuses, housing allowance, medical and other contributions, which are recognised in the income statement during the period in which the employee renders the related service. Detailed policies can also be noted under the Employee Benefits note.

1.10 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Accounting Policies

Employee benefits (continued)

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

All Actuarial gains and losses are recognised immediately in surplus or deficit when they occur.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

1.11 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present or constructive obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

The discount rate is a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 37.

1.12 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Recognition

Revenue from exchange transactions is only recognised once all of the following criteria have been satisfied:
a) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
b) The amount of revenue can be measured reliably; and
c) It is probable that the economic benefits or service potential associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Measurement

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable taking into account the amount of any discounts and rebates allowed by the entity. Fair value is the amount for which an asset could be exchanged, or a liability, between knowledgeable, willing parties in an arm's length transaction.

Accounting Policies

Revenue from exchange transactions (continued)

Service charges relating to electricity are based on consumption. Meters are read on a quarterly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Interest revenue is recognised on a time proportion basis.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

1.13 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when the fine is issued.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

1.14 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Accounting Policies

Unauthorised expenditure (continued)

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.15 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.16 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.17 Change in Accounting Policies, Estimates and Errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liablilities and net assets for the earliest period for which retrospective restatement is practicables.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of the changes in estimates are disclosed in the notes to the financial statements where applicable.

1.18 Principles applicable to the recognition and measurement of traffic fines

New principle to be applied from 1 July 2013

In 2012, the ASB revised IGRAP 1 Applying the Probability Test on the Initial Recognition of Revenue to include revenue from non-exchange transactions. This amendment is applicable to municipalities from 1 July 2013. IGRAP 1 indicates that entities should not consider the probability of non-payment on the initial recognition of revenue. This should be considered as a subsequent event when assessing impairment.

Impact of IGRAP 1 on previous periods

In 2013/14, the amendment to IGRAP 1 is effective from 1 July 2013 and should be applied prospectively. This means that if an entity did include the probability of non-payment in the initial recognition and measurement of revenue in 2012/13, then in 2013/14 it need not retrospectively restate the comparative information to exclude the probability of non-payment. However, the municipality adopted this standard for the first time in 2013/14 reporting period.

1.19 VAT

The Municipality accounts for Value Added Tax on the payments basis. This means that VAT is declared to the South African Revenue Services as input VAT or output VAT only when payments are made to suppliers or payments are received for goods or services.

1.20 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

Accounting Policies

1.2 Budget information (continued)

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2013/07/01 to 2014/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The Statement of Comparison of Budget and Actual Amounts is disclosed on page 9 of the Annual Financial Statements.

1.21 Related parties

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.22 Commitments

Items are classified as commitments where the Municipality commits itself to future transactions that will normally result in the outflow of resources.
Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes. A distinction is made between capital and current commitments.
Commitments are disclosed for:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date.
- Approved but not yet contracted commitments, where the expenditure has been approved and the contract has yet to be awarded or is awaiting finalisation at the reporting date.
- Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources.
- Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure notes to the financial statements.
- Other commitments for contracts are be non-cancellable or only cancellable at significant cost contracts should relate to something other than the business of the municipality.

1.23 Housing development fund / Housing operating account

Sections 15(5) and 16 of the Housing Act, (Act No. 107 of 1997), which came into operation on 1 April 1998, required that the Entity maintain a separate housing operating account. This legislated separate operating account is known as the Housing Development Fund.
The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

The following provisions are set for the creation and utilisation of the Housing Development Fund:

- The Housing Development Fund is cash-backed, and invested in accordance with the investment policy of the municipality.
- The proceeds in this fund are utilised for housing development in accordance with the National Housing Policy, and also for housing development projects approved by the MEC for Human Settlements.
- Any contributions to or from the fund are shown as transfers in the Statement of Changes in Net Assets.
- Interest earned on the investments of the fund is disclosed as interest earned in the Statement of Financial Performance.

Accounting Policies

1.24 Revaluation reserve

The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/ (deficit). On disposal, the net revaluation surplus is transferred to the accumulated surplus/ (deficit) while gains or losses on disposal, based on revalued amounts, are credited or charged to the Statement of Financial Performance.

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

2. Inventories

Consumable stores	549,750	542,682
Medallions - at cost	2,669	2,669
	552,419	**545,351**

Inventories are held for own use with the result that no write downs of inventory to net realisable value were required.

3. Investments

Other financial assets	-	6,988,604
The fixed deposit with Nedbbank matured in May 2014.		
Current assets	-	6,988,604

4. Other receivables from non-exchange transactions

Debtors Sundry	10,354,555	10,075,326
Housing Debtors	12,983	15,838
Health Subsidy Control	35,519	505,967
Debtors Interest	142,931	377,908
Sundry Debtors Control	565,473	326,754
Unpresented Cheques	-	162,048
Less: Provision for Impairment	(11,097,202)	(1,319,196)
	14,259	**10,144,645**

Health Subsidy Control relates to expenses incurred by the municipality on an agency basis on behalf of the Provisional Government, a sundry debtor is raised which will be recovered.

Sundry Debtors relates to Alfred Nzo District Municipality and Sisonke District Municipality for transfer of water services.

5. VAT receivable from exchange transactions

VAT	7,784,787	4,662,275

VAT is declared on the payments basis. Once payment is received from debtors and payments made to creditors, VAT is declared to SARS.

6. Trade receivables

Gross balances		
Rates from non exchange transactions	27,649,901	19,059,424
Electricity from exchange transactions	3,269,315	3,612,233
Refuse from exchange transactions	8,174,148	7,297,350
	39,093,364	**29,969,007**
Less: Allowance for impairment		
Rates from non exchange transactions	(19,299,631)	(12,948,989)
Electricity from exchange transactions	(1,357,337)	(685,846)
Refuse from exchange transactions	(7,400,385)	(5,363,042)
	(28,057,353)	**(18,997,877)**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

6. Trade receivables (continued)

Net balance		
Rates from non exchange transactions	8,350,270	6,110,435
Electricity from exchange transactions	1,911,978	2,926,387
Refuse from exchange transactions	773,763	1,934,308
	11,036,011	**10,971,130**
Rates from non exchange transactions		
Current (0 -30 days)	155,963	300,699
31 - 60 days	484,587	289,323
61 - 90 days	536,995	209,339
91 - 120 days	366,413	177,744
121 - 365 days	16,573,085	248,351
> 365 days	9,532,858	17,833,968
Impairment	(19,299,631)	(12,948,989)
	8,350,270	**6,110,435**
Electricity from exchange transactions		
Current (0 -30 days)	1,702,619	1,531,561
31 - 60 days	521,252	358,326
61 - 90 days	146,494	90,044
91 - 120 days	141,694	183,015
121 - 365 days	721,915	47,945
> 365 days	35,341	1,401,342
Impairment	(1,357,337)	(685,846)
	1,911,978	**2,926,387**
Refuse from exchange transactions		
Current (0 -30 days)	549,871	335,888
31 - 60 days	540,201	320,451
61 - 90 days	186,212	238,126
91 - 120 days	165,875	202,376
121 - 365 days	6,731,639	182,641
> 365 days	350	6,017,868
Impairment	(7,400,385)	(5,363,042)
	773,763	**1,934,308**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

6. Trade receivables (continued)

Summary of debtors by customer classification

Consumers	407,723	375,579
Current (0 -30 days)	835,896	289,834
31 - 60 days	507,583	353,165
61 - 90 days	468,045	623,825
91 - 120 days	16,222,424	287,653
121 - 365 days	7,967,474	20,386,500
> 365 days	26,409,145	22,316,556
	(25,007,109)	(16,900,666)
Less: Allowance for impairment	**1,402,036**	**5,415,890**
Industrial/ commercial	1,620,960	1,854,316
Current (0 -30 days)	481,346	323,979
31 - 60 days	211,468	205,792
61 - 90 days	85,750	281,917
91 - 120 days	2,140,010	101,678
121 - 365 days	567,824	1,059,385
> 365 days	5,107,358	3,827,067
	(3,050,244)	(2,097,211)
Less: Allowance for impairment	**2,057,114**	**1,729,856**
National and provincial government	379,770	513,264
Current (0 -30 days)	228,798	423,251
31 - 60 days	150,651	296,482
61 - 90 days	120,186	206,916
91 - 120 days	5,664,205	17,323
121 - 365 days	1,033,252	2,368,147
> 365 days	**7,576,862**	**3,825,383**
Reconciliation of allowance for impairment	(18,997,877)	(20,626,863)
Balance at beginning of the year	(9,059,476)	-
Contributions to allowance	-	1,628,986
Debt impairment written off against allowance	**(28,057,353)**	**(18,997,877)**

The fair value of receivables from exchange transactions was determined after considering the standard terms and conditions of agreement entered into between the municipality and Consumer Debtors as well as the current payment ratios of the municipality's consumers.

As of 30 June 2014, trade and other receivables from exchange transactions of R 28 057 353 (2013: R 18 997 877) were impaired and provided for.

7. Cash and cash equivalents

Cash and cash equivalents consist of:

	1,250	1,250
Cash on hand	3,254,992	4,621,967
Bank balances	54,310,157	72,612,172
Short-term deposits	**57,566,399**	**77,235,389**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

7. Cash and cash equivalents (continued)

Short-term deposits represent investments held at various financial institutions. An investment register detailing these accounts is available at the municipal offices.

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
Nedbank - Matatiele (Main) Account number 1011292106	6,361,868	9,123,086	2,673,789	4,311,442
Standard Bank - Matatiele Account number 060435224	242,361	120,169	242,511	120,169
First National Bank - Matatiele Account number 62108495187	338,492	190,356	338,692	190,356
Total	**6,942,721**	**9,433,611**	**3,254,992**	**4,621,967**

8. Investment property

	2014		2013	
	Cost / Valuation	Carrying value	Cost / Valuation	Carrying value
Investment property	21,889,400	21,889,400	9,898,255	9,898,255

Reconciliation of investment property - 2014

	Opening balance	Disposals	Fair value adjustments	Total
Investment property	9,898,255	(55,200)	12,046,345	21,889,400

Reconciliation of investment property - 2013

	Opening balance	Transfers	Total
Investment property	9,758,255	140,000	9,898,255

Investment Property Information

All of the municipality's investment properties are held under freehold interests and no Investment Property had been pledged as security for any liabilities of the municipality and are held for capital appreciation.

There are no restrictions on the reliability of investment property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations on investment property.

A register of Investment property is available at the municipal offices.

The effective date of revaluations was 1 July 2013.

The valuation was performed using data based on arms length transactions and related market evidence.

This was done by an independent by a professional valuer with the Registration Number 3550/09 by the name of Kwasi Agyaben Boateng who has a Bsc Honours Land Economy.

Rental revenue from investment property	565,912	533,522

Notes to the Annual Financial Statements

Figures in Rand

9. Property, plant and equipment

	2014			2013		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land and buildings	72,501,234	(2,393,422)	70,107,812	30,473,124	(1,820,911)	28,652,213
Infrastructure	417,559,515	(75,891,179)	341,668,336	355,750,545	(63,893,265)	291,857,280
Community	94,340,175	(13,024,352)	81,315,823	89,946,572	(9,676,043)	80,270,529
Other property, plant and equipment	38,554,023	(11,320,757)	27,233,266	29,801,797	(9,348,226)	20,453,571
Total	**622,954,947**	**(102,629,710)**	**520,325,237**	**505,972,038**	**(84,738,445)**	**421,233,593**

Reconciliation of property, plant and equipment - June 2014

	Opening balance	Additions	Capital under construction	Disposals	Revaluations	Depreciation	Impairment loss	Total
Land and buildings	28,652,213	-	7,890,281	-	36,070,968	(572,511)	(1,933,139)	70,107,812
Infrastructure	291,857,280	45,241,117	16,567,853	-	-	(11,997,914)	-	341,668,336
Community	80,270,529	9,102,544	631,200	-	-	(3,348,308)	(5,340,142)	81,315,823
Other property, plant and equipment	20,453,571	10,381,954	-	(714,744)	-	(2,887,515)	-	27,233,266
	421,233,593	**64,725,615**	**25,089,334**	**(714,744)**	**36,070,968**	**(18,806,248)**	**(7,273,281)**	**520,325,237**

9. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - June 2013

	Opening balance	Additions	Capital under construction	Write off	Revaluations	Other changes, movements	Depreciation	Impairment loss	Total
Land and buildings	27,184,699	231,196	1,861,087	-	-	-	(624,769)	-	28,652,213
Infrastructure	263,430,198	21,194,959	20,160,309	(414,615)	62,601,011	-	(11,221,337)	(63,893,245)	291,857,280
Community	80,564,894	1,722,491	5,838,883	(4,589,425)	-	-	(3,266,314)	-	80,270,529
Other property, plant and equipment	11,169,394	11,288,753	-	(100,407)	-	30	(1,904,199)	-	20,453,571
	382,349,185	**34,437,399**	**27,860,279**	**(5,104,447)**	**62,601,011**	**30**	**(17,016,619)**	**(63,893,245)**	**421,233,593**

Revaluations

Land is re-valued independently every 5 years.

The valuation was performed using data based on arms length transactions.

These assumptions were based on current market conditions.

The valuation of land was done through the process of creating a new valuation roll as per the requirements of the Municipal Property Rates Act. The new valuation roll was effective from 1st July 2013 and the revaluation of Land was accordingly done.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

10. Intangible assets

	2014			2013		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1,450,720	(217,913)	1,232,807	662,289	(139,422)	522,867

Reconciliation of intangible assets - 2014

	Opening balance	Additions	Other changes, movements	Amortisation	Total
Computer software	522,867	167,040	621,391	(78,491)	1,232,807

Reconciliation of intangible assets - 2013

	Opening balance	Additions	Amortisation	Total
Computer software	430,165	159,773	(67,071)	522,867

11. Payables from exchange transactions

Trade payables	8,800,696	5,998,885
Leave provision	4,685,168	3,409,893
Income received in advance	196,260	34,703
Payments received in advance	1,630,415	897,352
Other creditors	720,186	558,657
Bonus accrual	1,412,262	1,087,571
	17,444,987	**11,987,061**

The average credit period on purchases is 30 days from the receipt of the statement, as determined by the MFMA. No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has financial risk policies in place to ensure that all payables are paid within the credit timeframe.

Income received in advance is due to payments received for hall hire and prepaid electricity.

Staff leave accrue to the staff of the municipality on an annual basis, subject to certain conditions. The accrual is an estimate of the amount due at the reporting date.

The management of the municipality is of the opinion that the carrying value of creditors approximate their fair values.

Bonus accrual is calculated on a 13th cheque attributable to all staff.

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

12. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

	3,410,836	11,728,654
National government grants	1,204,047	1,962,614
Provincial government grants	1,242,575	271,860
Local government grants	2,956,113	2,264,048
Other spheres of government	**8,813,571**	**16,227,176**

Refer to note 21 for reconciliation of grants and receipts.

Figures in Rand	2014	2013

13. Provisions

Reconciliation of provisions - 2014

	Opening Balance	Additions	Utilised during the year	Total
Environmental rehabilitation	10,111,962	272,158	-	10,384,120
Provision for long service award	1,478,543	440,093	-	1,918,636
Performance bonus	537,411	299,404	-	836,815
Post retirement medical aid benefits	271,788	-	(57,636)	214,152
	12,399,704	**1,011,655**	**(57,636)**	**13,353,723**

Reconciliation of provisions - 2013

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Environmental rehabilitation	5,843,804	320,162	-	3,947,996	10,111,962
Provision for long service award	1,384,345	164,106	(69,908)	-	1,478,543
Performance bonus	1,087,709	-	(550,298)	-	537,411
Post retirement medical aid benefits	246,936	24,852	-	-	271,788
	8,562,794	**509,120**	**(620,206)**	**3,947,996**	**12,399,704**

Non-current liabilities	11,684,561	10,969,753
Current liabilities	1,669,162	1,429,951
	13,353,723	**12,399,704**

Performance bonuses accrue to senior managers on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

The municipality has an obligation to provide long-service allowance benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current conditions of service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 5 years and every 5 years thereafter of continued service. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the statement of financial performance.

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the medical aid funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

Environmental rehabilitation provision

The minimum requirements for waste disposal by landfill as stated by the Department of Water Affairs and Forestry, " All land fills, except those closed prior to August 1990 when the permitting system came into effect, must be permitted before they can be legally closed. Closure will involve, inter alia, the application of final cover, top soiling, vegetating, drainage maintenance and leachate management."

The financial implications for the rehabilitation of the landfill site were performed by ADV. C P Herbst, whom is a mineral and enviromental laws consultant. This was carried out on the 11 July 2014 for the effective date, 30 June 2014. Currently no appointment for the closure has been made, and therefore estimates have been compiled. The provision is based on a 15 year estimation.

Figures in Rand	2014	2013

13. Provisions (continued)

Landfill sites generally fall into 3 categories, which are separated by the size of the landfill, the type of waste and the amount of leachate produced. The land fill site closure design is based on it falling in the G:S:B+ formation which has the following capping layers:

- 200mm Topsoil
- 300mm Compacted clay

In calculating the provision for rehabilitation, the following four items have been included:

Direct contract costs - this equates to a unit cost of 90 rand per square meter based on previous closure of the Ducats landfill. Unit costs are used to estimate rehabilitation costs until a service provider is appointed to perform an investigation and design.

Indirect professional fees - these fees are fixed and are based on a percentage of the contract.

Indirect disbursements - These are estimated by obtaining quotations from third party service providers for similar works.

Escalation has also been considered and included in the costs.

The monetary value for the provision for the landfill site at 30 June 2014 is R 10 384 120 (2013: R 10 111 962).

14. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

Carrying value		
Post-Employment Health Care Benefit Liability	(7,459,676)	(6,218,312)
Amount transferred to current provision	214,152	271,788
Net liability	**(7,245,524)**	**(5,946,524)**

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	6,218,312	5,354,221
Liabilities extinguished on settlements	(271,788)	(246,936)
Net expense recognised in the statement of financial performance	1,513,152	1,111,027
	7,459,676	**6,218,312**

Net expense recognised in the statement of financial performance

Current service cost	710,554	609,600
Interest cost	547,169	404,605
Actuarial losses	255,429	96,822
Total included in employee related costs	**1,513,152**	**1,111,027**

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality.According to the results of the Medical Aid Funds, with which the municipality is associated a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee.The municipality operates an unfunded defined benefit plan for these qualifying employees.No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2014 by Chanan Weiss of ARCH Actuarial Consulting, fellow of the faculty of Actuaries and Fellow of the Actuarial Society of South Africa.The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Figures in Rand	2014	2013

14. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Average retirement age - females	63.00 %	63.00 %
Average retirement age - males	9.18 %	8.99 %
Health care cost inflation rate	8.42 %	8.13 %
Net effective discount rate	0.70 %	0.79 %

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost	1,526,400	1,048,900
Effect on defined benefit obligation	8,934,000	6,305,000

Amounts for the current and previous four years are as follows:

	2014 R	2013 R	2012 R	2011 R	
Defined benefit obligation	7,459,676	6,218,312	5,354,211	2,958,546	-
Fair value of plan assets	-	-	-	-	-
Surplus (deficit)	(7,459,676)	(6,218,312)	(5,354,211)	(2,958,546)	-

15. Revaluation reserve

Opening balance	62,601,010	-
Revaluation on Infrastructure assets	-	62,601,010
Transfer from Revaluation Reserve To Accumulated Surplus	(2,923,532)	-
Revaluation on Land	36,070,968	-
	95,748,446	**62,601,010**

The revaluation reserve arose on the revaluation of land and buildings. Where revalued land and buildings are sold, the portion of the revaluation reserve that relates to that asset, and is effectively realised, is transferred directly to accumulated surplus. The revaluation reserve is also realised through the transfer of depreciation on revalued assets to accumulated surplus. Distribution from the revaluation reserve can be made where they are in accordance with the requirements of the municipality's accounting policy and relevant case law. The payment of cash distribution out of the reserve is restricted by the terms of the municipality's accounting policy. These restrictions do not apply to any amounts transferred to accumulated surplus. The council do not currently intend to make any distributions from the revaluation reserve.

16. Revenue

Service charges	42,361,972	40,322,579
Rental of facilities and equipment	565,912	533,522
Licences and permits	2,188,705	2,094,048
Other income	3,896,437	5,296,150
Interest received - investment	7,699,010	7,861,036
Property rates	22,600,235	15,500,969
Government grants & subsidies	198,426,959	152,460,294
Public contributions and donations	183,922	-
Fine receipts	3,672,275	1,508,615
	281,595,427	**225,577,213**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

16. Revenue (continued)

The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	42,361,972	40,322,579
Rental of facilities and equipment	565,912	533,522
Licences and permits	2,188,705	2,094,048
Other income	3,896,437	5,296,150
Interest received - investment	7,699,010	7,861,036
	56,712,036	**56,107,335**
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	22,600,235	15,500,969
Transfer revenue		
Government grants & subsidies	198,426,959	152,460,294
Public contributions and donations	183,922	-
Fine receipts	3,672,275	1,508,615
	224,883,391	**169,469,878**

17. Service charges

Sale of electricity	35,752,556	33,911,583
Refuse removal	6,609,416	6,410,996
	42,361,972	**40,322,579**

The amounts disclosed above for revenue from service charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

18. Other income

Nature reserve chalets	14,884	16,316
Telephone private calls	-	207
Electricity connections	88,195	110,282
Service connection	93,338	30,872
Sundry services	198,103	124,561
Wood sales	175	175
Pool fees	8,303	13,768
Nature reserve annual licence	11,354	6,404
Nature reserve daily fishing	7,018	7,632
Rates certificates	2,982	3,824
Building exemption certificates	14,888	4,634
Building plans	227,337	143,607
Provision movement in receivables from non-exchange transactions	-	312,429
Library membership fees	100	155
Photo copies	501	5,850
Plant hire	2,837,552	1,509
Pound fees	158,838	317,856
Cemetery fees	61,722	66,393
Tender documents	165,512	220,035
Nature reserve income	395	132
Driveway hardening	5,240	7,734
Provision movement for performance bonuses	-	550,298
Provision movement for consumer debtors	-	1,628,986
Government Contribution	-	1,722,491
	3,896,437	**5,296,150**

The amounts disclosed above for other income are in respect of services rendered which are billed to or paid for by the users as the services are required according to approved tariffs.

19. Investment revenue

Interest revenue		
Interest on short-term bank deposits	5,235,328	5,571,813
Loans and receivables	2,463,682	2,289,223
	7,699,010	**7,861,036**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

20. Property rates

Rates received

Commercial	14,508,694	13,076,684
Residential	14,522,147	6,465,022
Agricultural	2,122,048	1,513,747
Vacant land	396,602	493,001
Municipal and Local Government (Rural)	-	7,401,860
Exempted properties	2,312,620	(9,431,380)
Adjusted Corrections	3,840,793	-
Less: Rebates (Phase-in)	(15,102,669)	(4,017,965)
	22,600,235	**15,500,969**

Supplementary assessment rates are levied on the value of land and improvements, for which a valuation is performed every five years. Valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

A new valuation roll has been implemented from 1 July 2013.

Valuations

Residential	964,352,500	429,712,000
Commercial	802,948,000	724,310,000
Agricultural	564,224,509	402,485,000
Vacant land	21,967,500	27,307,000
Municipal and Local Government (Rural)	468,680,639	409,985,000
Exempted properties	308,615,500	98,725,000
	3,130,788,648	**2,092,524,000**

A general rate of R1.44 (2013: R1.44) is applied to residential property valuations and R1.73 (2013: R1.73) to commercial property valuations to determine assessment rates. Rebates of 35% (2013: -%) are granted to residential property owners and 10% (2013: 10%) to commercial property owners.

Rates are levied on an annual basis with the final date for payment being 30 September 2014 (30 September 2013). Interest at 18% per annum (2013: 18%) and a collection fee of 0% (2013: 0%), is levied on rates outstanding two months after due date.

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

21. Government grants and subsidies

Operating grants		
Equitable share	118,051,000	105,328,000
	118,051,000	105,328,000
Capital grants		
National: FMG grant	1,550,000	1,500,000
National: MIG grant	48,774,818	29,262,793
National: MSIG grant	890,000	998,436
DME Electrification	9,904,298	3,991,137
Nature Reserve	104,542	-
LUMS	120,750	-
Provincial: Capacity Buillding	14,834	-
Other government	5,170,105	8,215,198
Provincial: Treasury	741,670	1,664,827
Provincial: DEAT	184,183	1,137,336
Vuna Awards	-	85,000
Conference centre and lodges	-	71,737
Small town & rural village grant	36,805	-
Training CPMD	-	205,830
Clean Audit Umzimvubu	3,500,000	-
Asset Register Grant	1,635,007	-
Desrac Grant	161,228	-
National: Election Grant	7,587,719	-
	80,375,959	47,132,294
	198,426,959	**152,460,294**

Equitable Share

In terms of the constitution, this grant is used to subsidise the provision of basic services to indigent community members and to fund operations.

National: FMG/MIG/MSIG/Election/Clean Audit funds

Balance unspent at beginning of year	11,728,654	12,416,884
Current-year receipts	53,984,720	37,225,999
Conditions met - transferred to revenue	(62,302,538)	(31,761,229)
Other	-	(6,153,000)
	3,410,836	**11,728,654**

Conditions still to be met - remain liabilities (see note 12).

Figures in Rand	2014	2013

21. Government grants and subsidies (continued)

National goverment grants compromise of the FMG, MIG, MSIG, Election and Clean Audit grants.

FMG Grant
An amount of R1 550 000 was received for the FMG Grant in the current year. The entire amount was spent.

MIG Fund
The MIG Fund had an unspent opening balance of R11 728 654 and received a futher R40 457 000 from National Treasury. The conditional requirements were met for a total of R48 746 580 which was spent during the year, leaving a total of R3 439 074 unspent at year end.

MSIG Fund
An amount of R890 000 was received in the current year. The conditional requirements were met and therefore the entire balance was spent during the current year.

Clean Audit Grant
An amount of R3 500 000 was received in the current year. The conditional requirements were met and therefore the entire balance was spent during the current year.

Electiont Grant
An amount of R7 587 720 was received in the current year. The conditional requirements were met and therefore the entire balance was spent during the current year.

Provincial government

Balance unspent at beginning of year	1,962,614	4,020,368
Current-year receipts	1,914,922	744,409
Conditions met - transferred to revenue	(2,673,489)	(2,802,163)
	1,204,047	**1,962,614**

Conditions still to be met - remain liabilities (see note 12).

Local government

Balance unspent at beginning of year	271,860	168,929
Current-year receipts	970,715	174,668
Conditions met - transferred to revenue	-	(71,737)
	1,242,575	**271,860**

Conditions still to be met - remain liabilities (see note 12).

The District Municipality allocates funds on an annual basis to ensure that infrastructure is maintained and to contribute in the development of the Integrated Development Plan and Community Based Plans processes.

Other grants

Balance unspent at beginning of year	2,264,048	7,173,244
Current-year receipts	16,091,998	7,587,969
Conditions met - transferred to revenue	(15,399,933)	(12,497,165)
	2,956,113	**2,264,048**

Conditions still to be met - remain liabilities (see note 12).

Grants received for Local Economic Development Projects and Extended Public Works Programme incentive.

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

22. Employee related costs

Basic	51,262,394	42,355,861
Bonus	2,275,482	1,853,876
Medical aid - company contributions	1,503,583	1,034,541
UIF	220,856	363,070
WCA	-	885,558
SDL	26,266	21,870
Leave pay provision charge	2,151,634	1,145,289
Defined benefit plan expense	516,038	1,028,197
Defined benefit obligation	5,331,247	4,345,890
Overtime payments	2,053,890	1,478,078
Other allowances	31,600	36,900
Car allowance	2,726,916	2,042,776
Housing benefits and allowances	1,014,785	803,149
	69,114,691	**57,395,055**

Post employment benefits comprises an amount of R5 331 247 (2013: R4 345 890) which are pension payments.

Remuneration of Municipal Manager

Annual Remuneration	909,192	813,806
Car Allowance	259,470	230,520
Performance Bonuses	136,101	-
Contributions to UIF, Medical and Pension Funds	1,785	1,713
	1,306,548	**1,046,039**

Dr D.C.T Nakin served as Municipal Manager for the entire year under review.

Remuneration of Chief Financial Officer

Annual remuneration	752,806	686,837
Car Allowance	210,000	210,000
Contributions to UIF, Medical and Pension Funds	1,785	1,713
	964,591	**898,550**

Mr. L. Ndzelu was the Chief Financial Officer for the entire year under review.

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

22. Employee related costs (continued)

Remuneration of Corporate Services Manager

Annual Remuneration	817,315	481,518
Car Allowance	144,000	116,000
Performance Bonuses	1,785	1,118
	963,100	**598,636**

Mr T. Somtseu was the Corporate Services Manager for the entire year under review.

Remuneration of Community Services Manager

Annual Remuneration	721,874	578,974
Car Allowance	240,000	226,375
Contributions to UIF, Medical and Pension Funds	1,785	93,200
	963,659	**898,549**

Mr S.M. Mbedla served as Community Services Manager for the entire year under review.

Remuneration of the EDP Manager

Acting Allowance		387,579
Annual Remuneration	767,474	181,350
Car Allowance	170,000	51,000
Contributions to UIF, Medical and Pension Funds	25,929	7,363
	963,403	**627,292**

Ms G.R. Tobia was the EDP Manager for the entire year under review.

Remuneration of the Infrastructure Manager

Tshitshi		
	-	122,392
Car Allowance	-	26,708
Contributions to UIF, Medical and Pension Funds	-	398
Acting Allowance	-	174,040
N Ntloko		
Acting Allowance	-	174,040
M Somi		
Annual Remuneration	721,128	109,659
Car Allowance	240,000	40,000
Contributions to UIF, Medical and Pension Funds	1,785	297
	962,913	**647,534**

Mr M. Somi was the Infrastructure Manager for the entire year under review.

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

22. Employee related costs (continued)

Staff leave benefits

Municipal Manager	30,000	133,715
Chief Financial Officer	26,896	67,310
Corporate Services Manager	92,215	35,891
Community Services Manager	76,846	57,791
EDP Manager	57,634	42,762
Infrastructure Manager	92,215	15,602
Strategic Manager	-	(57,791)
	375,806	**295,280**

23. Remuneration of councillors

Mayor	548,627	437,144
Executive Committee	2,757,362	2,041,172
Speaker	228,641	390,720
Councillors	6,208,349	6,226,367
Company contributions to UIF,medical aid and pension fund	394,544	673,200
Sundry allowances (Cellular phones, housing and vehicles)	4,669,026	4,130,976
	14,806,549	**13,899,579**

Figures in Rand	2014	2013

23. Remuneration of councillors (continued)

In-kind benefits

The Mayor, the Speaker, the Chief Whip and four Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor has use of a Council owned vehicle for official duties.

The Mayor has a driver/bodyguard.

CHANGES IN COUNCILLORS POSITIONS DURING THE FINANCIAL YEAR OF 2013/2014

1. Councillor Nkopane vacated the position of being Mayor from the 4/09/2013

2. Councillor MM Mbedla ceased to be the chairperson of infrastructure services standing committee (EXCO Member) as from 13/09/2013 and assumed position of being a Mayor replacing Councillor Nkopane above.

3. Councillor Mshuqwana ceased to be the speaker as from 13/09/2013 and became an executive member of Council and a chairperson for Corporate Service.

4. Councillor J M Bosman ceased to be a full time member of EXCO and chairperson of the Corporate Services Standing Committee as from 13/09/2013 and assumed the position of a Speaker for Council.

5. Councillor Ngwanya was elected as part time Member of the EXCO and Chairperson of Communication and SPU on 11/10/2013.

6. Councillor S Mngenela was appointed as fulltime EXCO member on 11/10/2013 from being a Ward Councillor.

7. Councillor Nkukhu was elected as a full time EXCO member and Chairperson of EDP on 11/10/2013 as he was a ward councillor.

8. Councillor T.A Mhlongo was elected as PR Councillor from 30/05/2014 he was not replacing anyone.

9. Councillor SN Mgolombane was elected as PR Councillor from 30/05/2014 he was not replacing anyone.

10. Councillor Maqashalala was elected as part time EXCO member with effect from 01/06/2014 from being PR Councillor.

11. Councillor Mongoato was elected as Full time Chairperson MPAC in May 2014 before he was a part time Chairpe rson for MPAC.

12. Councillor Ntshayisa resigned as councillor from the 20/05/2014.

13. Councillor Jafta resigned as councillor from the 20/05/2014.

24. Depreciation and amortisation

Property, plant and equipment	18,806,250	17,083,688
Intangible assets	78,491	-
	18,884,741	**17,083,688**

25. Finance costs

Late payment of tax	1,830	-
Other interest paid	-	6,522
	1,830	**6,522**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

26. Bulk purchases

Electricity	26,146,887	24,556,468

Bulk purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to consumers. Electricity is purchased from Eskom. The municipality incurred electricity line losses of R1 192 445.36 at a percentage of 8.70% (2013: 9.41%) in the current year.

Water is supplied directly to residents and businesses by the district municipality.

27. Grants and subsidies paid

Grants paid for projects and IDP		
Training CPMD	-	205,830
Clean Audit Umzimvubu	3,500,000	-
Grants	273,978	-
Desrac Grant	161,228	-
LUMS	120,750	-
Nature Reserve Fencing	104,542	-
Eastern Cape Province support of IEC	7,587,719	-
IDP Support	-	392,177
Mokhosi Milling Project	184,183	1,005,433
Small town and rural village	36,805	-
Land audit	-	223,861
EPWP incentive	4,564,171	7,193,484
Archive central	-	85,000
Maluti cemetry fence	-	71,737
	16,533,376	**9,177,522**
Other grants and subsidies		
FBS Electricity	6,000,000	6,603,425
FBS Refuse	3,910,668	3,649,973
MIG Salaries	2,022,850	936,470
FIFA world cup	-	342,163
Office Rental	480,000	429,792
MDF Asset Register	196,012	25,071
Capacity building	14,834	-
MSIG	890,000	998,436
FMG	1,550,000	1,500,000
SDWDP	1,635,007	-
	16,699,371	**14,485,330**
	33,232,747	**23,662,852**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

28. General expenses

Advertising	1,358,059	601,024
Auditors remuneration	4,189,989	4,149,556
Bank charges	243,658	154,403
Chemicals	53,072	36,632
Conferences and seminars	1,745,435	766,499
Consulting and professional fees	7,553,556	4,674,147
Consumables	373,661	419,978
Contribution to bonus provision	1,540,768	165,346
Delegates expenses	5,111,571	3,788,021
Landfill site expense	-	4,268,158
Donations	129,202	-
Electricity	724,267	110,843
Entertainment	313,874	210,073
Farming	37,339	203,643
Fuel and oil	1,585,772	1,287,860
Hire	2,899	91,163
Insurance	861,974	310,137
Motor vehicle expenses	165,482	46,506
Obsolete stock written off	4,185	1,587
Other expenses	739,083	297,126
Postage and courier	116,178	124,517
Printing and stationery	625,795	719,504
Project maintenance costs	3,067,038	1,003,521
Public participation	207,519	2,901,445
Resealing	487,120	427,156
Subscriptions and membership fees	700,000	107,539
Telephone and fax	1,771,414	1,642,407
Town planning	229,296	6,803
Training	1,367,183	1,650,249
Uniforms	63,233	296,163
Venue expenses	237,123	114,355
	35,605,745	**30,576,361**

29. Auditors' remuneration

Fees	4,189,989	4,149,556

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

30. Cash generated from operations

Surplus (deficit)	44,374,842	(33,179,677)
Adjustments for:		
Depreciation and amortisation	18,884,741	17,083,688
Loss on sale of assets and liabilities	307,561	5,064,153
Profit on sale of asset	(844,949)	-
Fair value adjustments	(12,046,345)	64,941,140
Finance costs	7,273,280	(1,047,895)
Debt impairment	20,522,054	-
Movements in retirement benefit assets and liabilities	1,299,000	839,239
Movements in provisions	954,019	3,836,910
Write back of stale cheques	82,474	579,483
Changes in working capital:		
Inventories	(7,068)	(13,794)
Consumer debtors	(20,586,935)	(5,463,810)
Other receivables from non-exchange transactions	10,130,386	(682,782)
Prepayments	(3,309,014)	-
Payables from exchange transactions	5,457,926	(2,040,855)
VAT	(3,122,512)	(4,362,753)
Consumer deposits	(1,550)	(2,200)
Unspent conditional grants and receipts	(7,413,605)	(7,552,249)
Transfer to Housing development fund	-	63,335
Interest on housing development fund	62,760	(5,708)
	62,017,065	**38,056,225**

31. Unauthorised expenditure

Budget overspent by department due to depreciation and impairment loss	7,273,280	16,210,243

Impairment loss not budgeted for in the current year.

32. Fruitless and wasteful expenditure

Opening balance	8,422	167,477
Fruitless and wasteful expenditure - current year	1,830	8,422
Less: amounts condoned	(8,422)	(167,477)
	1,830	**8,422**

The amount of R 1 830 fruitless and wasteful expenditure was incurred and paid in total in the current year. This was in respect of the following situation :

- In respect of late payment of accounts and it is to be recovered from the responsible officials.

An Amount of R 2 208 was errenously raised by Telkom as an interest and was later reversed by Telkom

33. Irregular expenditure

Opening balance	-	525,351
Less: Amounts condoned	-	(525,351)
	-	-

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

34. Section 32 procurement

Umnotho Business Consulting
Cysasound Events Management
Harvey Traveling Agency
Town Touch Investment
Wahlumaa Trading Enterprise
Qumbiso Construction
Roeleveld Quantity Surveyors Pro / BTKM Consortium
Protea Consulting
Dimension Data
Tswella Trading

During the current year the Municipality chose to utilise the provisions of section 32 (s32) of the Supply Chain Regulations to award tenders to companies using the competitive bidding process of other Municipalities. The above companies were appointed by way of use of this provision. All sections of the provisions were adhered to in the awarding of bids.

35. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	659,108	652,288
Amount paid - current year	(659,108)	(652,288)
	-	-

Audit fees

Current year subscription / fee	4,189,989	4,149,566
Amount paid - current year	(4,189,989)	(4,149,566)
	-	-

PAYE and UIF

Current year subscription / fee	12,870,877	5,264,026
Amount paid - current year	(12,870,877)	(5,264,026)
	-	-

VAT

VAT receivable	7,784,787	4,662,275

VAT output payables and VAT input receivables are shown in note 5.

All VAT returns have been submitted by the due date throughout the year.

Figures in Rand	2014	2013

35. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2014:

30 June 2014	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
NE Kotelana	745	-	745
SM Ndukwana	107	-	107
NE Kotelana	745	-	745
SM Mzozoyana	-	297	297
AM Saliwavikwa	-	69,813	69,813
AM Saliwavikwa (One stop service station)	4,452	81,741	86,193
JM Mlandu	832	17,815	18,647
M Lebese	3,318	7,214	10,532
	10,199	**176,880**	**187,079**

Councillor back pay	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
PM Stuurman	-	24,512	24,512
KB Makholwa	-	29,302	29,302
CN Sambane	-	29,302	29,302
PZ Bono	-	29,302	29,302
LE Stuurman	-	22,210	22,210
CP Ntsolo	-	23,115	23,115
NE Kotelana	-	2,166	2,166
PG Muir	-	15,133	15,133
KC Biggs	-	6,356	6,356
VC Sigalelana	-	7,474	7,474
MM Tsoloane	-	34,502	34,502
	-	**223,374**	**223,374**

Supply chain management regulations - Deviations

In terms of section 36(2) of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved by the Municipal Manager and be reported to Council for noting.

Incident		
In an emergency	1,181,853	64,817
If such goods or services are produced or available from single provider only	937,074	262,559
In any other exceptional case where it is impractical or impossible to follow official procurement processes	26,329,027	11,402,221
	28,447,954	**11,729,597**

Figures in Rand	2014	2013

36. Commitments

Authorised capital and operational expenditure

Already contracted for but not provided for

• Capital - Infrastructure	129,129,012	33,821,959
• Operational - Infrastructure	-	908,690
	129,129,012	**34,730,649**

This committed expenditure which relates to Infrastructure will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

Figures in Rand	2014	2013

37. Contingencies

LIABILITIES

Matatiele Local Municipality vs Mulla
The maximum possible loss from this case is not expected to exceed R55 000.

Matatiele Local Municipality vs SAMWU
Legal costs recovery for an illegal strike.

Mayor vs Matatiele Local Municipality
Reshuffling of the Mayor.

Claim for unlawful arrest

PG Hattingh claims that he was unlawfully arrested by a traffic official for the use of an unauthorised vehicle. The potential liability to the Municipality is R55 000.

Natal Joint Municipal Pension Fund vs Matatiele Local Municipality

A claim was made for non-payment by the Municipality from NJMPF. The potential liability is R106 000.

Diko van de Merve CC vs Matatiele Local Municipality

A claim was made for non-payment by the Municipality to Diko van de Merve. The potential liability is R326 234.48.

Mrs Matubatuba vs Matatiele Local Municipality

A claim was made by Mrs Matubatuba for defamation of character against the Municipality. The potential liability is unknown.

ASSETS

Matatiele Local Municipality vs Municipal cashier staff (Selected staff members)

The Municipality is in the process of lodging a case against certain cashier staff for theft/fraud. The potential of recovery is unknown.

38. Related parties

Community liaison officer	Spouse
Community liaison officer	Spouse
Accountant - Payroll	Spouse

Lesang Faniso, spouse of the Community Liaison officer of the municipality, is a member of Shakes and Xolani CC who were appointed on the 1st of June 2012 in relation to the Moiketsi Access Road Project were paid an amount of R1 381 674 in the current financial year . The same company was then appointed to assist on the Great Diaho Access Road Project were paid an amount of R24 900 in the current financial year.

Lesang Faniso, spouse of the Community Liaison officer of the municipality, who is also a member of Bathokozeleni Trading CC who were appointed on the 1st of August 2011 in relation to Grass cutting for various Municipal properties. Current year expenditure relating to the above amounted to R 1 355 682. The same company was then appointed to assist in the digging of graves were paid an amount of R 254 549 in the current financial year.

Boitumelo, the spouse of the Accountant - Payroll of the municipality (1 November 2012 - Current), is a member of Sweet Dreams Trading JV Impamgela who were appointed on the 5th of November 2012 in relation to the Kuyasa Access Road Project were paid an amount of R225 886.

Councillors and/or management of the municipality had no relationship with businesses to management's best knowledge.

39. In-kind donations and assistance

The municipality was not engaged in any transaction or event during the year under review involving in-kind donations.

Figures in Rand	2014	2013

40. Events after the reporting date

There were no events that occured after the reporting date.

41. Risk management

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit and Interest risk

Credit and Interest risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash.

Financial assets exposed to credit and interest risk at year end were as follows:

Financial instrument	**2014**	**2013**
Trade receivables	50,204,825	41,432,848
Nedbank	6,361,868	9,123,086
Standard Bank	242,361	120,169
First National Bank	338,492	190,356
Short term investments	54,310,157	72,612,172
Long term Investments	-	6,988,604

42. Debt impairment

Contributions to debt impairment provision	20,522,054	-

43. Changes in accounting policy

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following new or revised standards which have had no material impact on the prior year amounts .

- The adoption and application of GRAP 25 employee benefits.
- The adoption of GRAP 31 - Intangible assets (previously GRAP 102)

44. Financial instruments disclosure

Categories of financial instruments

2014

Financial assets

	At fair value	**At amortised cost**	**Total**
VAT	-	7,784,787	7,784,787
Other receivables from non-exchange transactions	-	14,259	14,259
Trade receivables	-	11,036,011	11,036,011
Cash and cash equivalents	57,566,399	-	57,566,399

Notes to the Annual Financial Statements

Figures in Rand	2014	2013
. Financial instruments disclosure (continued)	**57,566,399**	**18,835,057**	**76,401,456**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	17,444,987	17,444,987

2013

Financial assets

	At fair value	At amortised cost	Total
Investments	6,988,604	-	6,988,604
VAT	-	4,662,275	4,662,275
Other receivables from non-exchange transactions	-	10,144,645	10,144,645
Trade receivables	-	10,971,130	10,971,130
Cash and cash equivalents	77,235,389	-	77,235,389
	84,223,993	**25,778,050**	**110,002,043**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	11,987,061	11,987,061

Fair value information

The management of the municipality is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the Annual Financial Statements approximate their fair values.The fair value of Financial Assets and Financial Liabilities were determined after considering the standards terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratios of the municipalit's debtors.

Fair value hierarchy of financial assets at fair value

Level 2	54,310,157	72,612,172
Short term deposits	3,254,992	4,621,967
Bank balances and cash	**57,565,149**	**77,234,139**

45. Consumer deposits

Electricity	238,242	239,792

Consumer deposits are paid by consumers on application for new electricity connections. The deposits are repaid when the electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding account. No interest is paid on Consumer deposits held.

The management of the municipality is of the opinion that the carrying value of Consumer deposits approximate their fair values. The fair value of Consumer deposits was determined after considering the standard terms and conditions of agreements entered into between the municipality and its consumers.

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

46. Prepayments

SALGA SUBS for 2014/2015	650,504	-
Matatiele Local Muncipality for July 2013	10,000	-
Dimension Data	2,648,509	-
	3,309,013	-

Appendix B

Analysis of property, plant and equipment as at 30 June 2010

	Cost/Revaluation							Accumulated depreciation						
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Land and buildings														
Land (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Landfill Sites (Separate for AFS pursoses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarries (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure														
Roads, Pavements & Bridges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Storm water	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Street lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (fibre optic, WIFI infrastructur)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets														
Parks & gardens	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sportsfields and stadium	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Museums & art galleries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix B

Analysis of property, plant and equipment as at 30 June 2010

	Cost/Revaluation							Accumulated depreciation						
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Heritage assets														
Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles														
Refuse	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets														
General vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security measures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bins and Containers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total property plant and equipment														
Land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix B

Analysis of property, plant and equipment as at 30 June 2010

	Cost/Revaluation							Accumulated depreciation						
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural/Biological assets														
Agricultural	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets														
Computers - software & programming	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties														
Investment property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total														
Land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix C

Segmental analysis of property, plant and equipment as at 30 June 2010

	Cost/Revaluation							Accumulated Depreciation						
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment deficit Rand	Closing Balance Rand	Carrying value Rand
Municipality														
Executive & Council/Mayor and Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance & Admin/Finance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and Development/Economic Development/Plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health/Clinics	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Comm. & Social/Libraries and archives	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Safety/Police	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental Protection/Pollution Control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Water Management/Sewerage	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road Transport/Roads	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water/Water Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity /Electricity Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other/Air Transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Owned Entities														
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total														
Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Owned Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix C

Segmental analysis of property, plant and equipment as at 30 June 2010

Cost/Revaluation							Accumulated Depreciation						
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment deficit Rand	Closing Balance Rand	Carrying value Rand
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix D

Segmental Statement of Financial Performance for the year ended

Prior Year				Current Year		
Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand		Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
			Municipality			
-	-	-	Executive & Council/Mayor and Council	-	-	-
-	-	-	Finance & Admin/Finance	-	-	-
-	-	-	Planning and Development/Economic Development/Plan	-	-	-
-	-	-	Health/Clinics	-	-	-
-	-	-	Comm. & Social/Libraries and archives	-	-	-
-	-	-	Housing	-	-	-
-	-	-	Public Safety/Police	-	-	-
-	-	-	Sport and Recreation	-	-	-
-	-	-	Environmental Protection/Pollution Control	-	-	-
-	-	-	Waste Water Management/Sewerage	-	-	-
-	-	-	Road Transport/Roads	-	-	-
-	-	-	Water/Water Distribution	-	-	-
-	-	-	Electricity /Electricity Distribution	-	-	-
-	-	-	Other/Air Transport	-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-

Appendix D

Segmental Statement of Financial Performance for the year ended

Prior Year				Current Year		
Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand	Rand	Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-	Total	-	-	-